

# **INFORMATION CONCERNING THE CITY OF KANSAS CITY, MISSOURI**

## ***GENERAL INFORMATION***

### **Location, Size and Demographics**

Kansas City, Missouri (the "City") is the largest City in Missouri and is the central city of a fifteen county Metropolitan Statistical Area (MSA) which includes Bates, Caldwell, Cass, Clay, Clinton, Lafayette, Ray, Jackson and Platte counties in the State of Missouri and Johnson, Franklin, Linn, Wyandotte, Miami and Leavenworth counties in the State of Kansas. The City is located in parts of Jackson, Clay, Platte and Cass counties on the western border of the State of Missouri, and is situated at the confluence of the Kansas and Missouri rivers on Interstate Highways I-29, I-35 and I-70.

Historically, the City has pursued a policy of annexation, and is today the 14th largest city in land area in the United States with a total area of approximately 319 square miles (This information is true excluding cities consolidated with counties.) According to U.S. Census Bureau figures, the City's 2010 population is 459,787 and the Kansas City MSA is 2,035,334. There is excellent quality and reasonably priced housing available in the City. The cost of an existing home in the City is approximately twenty percent below the average for comparable homes in the United States as of second quarter in 2011.

### **Municipal Government and Services**

The City was incorporated on June 3, 1850. The City is a constitutional home rule city and adopted its present Charter by popular vote on August 8, 2006, pursuant to Article VI, Section 19 of the Missouri Constitution.

The City has a Council-Manager form of government. There are 13 members of the Council, including the Mayor. All are elected for four-year terms, with the Mayor and six Council members elected at large and the other six Council members elected by the residents of their districts. The City Manager is appointed by the Council. The Council determines City policy and oversees City affairs. All resolutions and most ordinances can be passed by the affirmative vote of seven Council members. However, emergency measures for the immediate preservation of the public peace, property, health, safety or morals and ordinances to expel a council member, to amend the zoning law when under protest, or to borrow money require nine affirmative votes.

As of September 1, 2011, the City has approximately 6,661 employees including the Police Department. The police are not unionized. Certain Fire personnel are union-eligible; however, not all Fire Department employees are represented by a bargaining unit. Along with the Fire Chief, and his Principal Assistant, the Fire Department has administrative, clerical, and Deputy Chiefs that are not represented by any bargaining unit. The Fire personnel are represented by the Local 42 IAFF (approximately 1,216 members) and the 3808 IAFF Union (approximately 38 members). Approximately 1,726 City employees in labor classifications are represented by the AFSCME Local 500. The current Local 500 Memorandum of Understanding (MOU) was adopted by the City Council and effective on September 14, 2008, retroactive to May 1, 2008 and expired on April 30, 2011. The aforementioned MOU with Local 500, was amended last year and the terms of the agreement were extended. The MOU is now set to expire on April 23, 2012.

The City's tax structure is diverse and includes the Earnings and Profits Tax, Sales and Use Tax, Convention and Tourism Tax, General Property Tax, Gaming Tax, Motor Fuel Tax, Utility Tax which includes Telephone, Natural Gas, Steam, Cable Television and Electric taxes, Cigarette Tax and Occupational License Tax.

For the purpose of providing funds for the acquisition, development, construction, operation, and maintenance of a Downtown Arena and appurtenant facilities including costs of land, infrastructure, design, engineering, finance and furnishing and equipping said facilities, qualified voters of the City approved at a general election on August 3, 2004, the modification of the license fees on rental car agencies and on hotels, motels and tourist courts referred to as the Arena Fee.

The City provides all basic municipal services, including police and fire protection, emergency medical treatment, water and sewage treatment, street construction and maintenance, traffic regulation and control, refuse collection, street lighting, public health protection, animal health and safety, property maintenance and public nuisance code enforcement, planning and maintenance of City parks and boulevards, street tree maintenance, municipal golf courses, public swimming pools and tennis courts, community center operations, management of two municipal airports, administration of zoning and building code regulations, parking garage operations, and operation of the City's convention facilities. The Police Department, although financed primarily by General Funds of the City, is a separate governmental entity governed by a Board of Police Commissioners appointed by the Governor of the State of Missouri. School districts, which serve the City, are also separate governmental entities. Truman Medical Center receives funding from a dedicated ad valorem property tax but is governed by a separate board.

## SELECTED DEMOGRAPHIC STATISTICS

Kansas City, Missouri			Metropolitan Statistical Area <sup>(3)</sup>		
Year	Population <sup>(1)</sup>	Per Capita <sup>(4)</sup> Personal Income	Year	Population <sup>(1)</sup>	Per Capita <sup>(4)</sup> Personal Income
2002	445,193	\$22,755	2002	1,876,207	\$24,560
2003	447,018	20,026	2003	1,896,098	24,907
2004	448,842	22,405	2004	1,915,989	24,914
2005	450,666	24,567	2005	1,935,880	26,251
2006	452,490	24,180	2006	1,955,770	26,848
2007	454,314	24,299	2007	1,975,661	27,650
2008	456,139	27,298	2008	1,995,552	29,084
2009	457,963	25,189	2009	2,015,443	27,922
2010	459,787 <sup>(2)</sup>	25,743 <sup>(5)</sup>	2010	2,035,334 <sup>(2)</sup>	28,536 <sup>(5)</sup>
2011	461,611	26,658 <sup>(5)</sup>	2011	2,055,225	29,551 <sup>(5)</sup>

(1) The Calendar Year 2002-2009 and 2011 population estimates were provided by the City Planning and Development Department using interpolation between the censuses.

(2) The 2010 Calendar Year population numbers are from the 2010 Census.

(3) The Federal Office of Management and Budget changed Kansas City, Missouri's Metropolitan Statistical Area (MSA) from eleven (11) to fifteen (15) counties in 2003. All fifteen (15) counties are included in the MSA population numbers.

(4) Fiscal Year 2002-2009: American Community Survey.

(5) Estimated by the City Planning and Development Department of Kansas City, Missouri using 2009 American Community Survey adjusted for CPI.

Sources: U.S Census Bureau; City Planning and Development Department, and Census Bureau's Annual America Community Survey.

## COMPARISON OF METROPOLITAN AREAS

	<b>ACCRA Cost of Living Index <u>2011 2nd Quarter</u> <sup>(1)</sup></b>	<b>Median Price, Existing Homes <u>2011 2nd Quarter</u> <sup>(2)</sup></b>	<b>Per Capita Retail Sales <u>(2010)</u> <sup>(3)</sup></b>
Kansas City	99.0	\$137,000	\$13,097
U.S.	100.0	171,900	11,985
Atlanta	97.5	102,100	13,066
Charlotte	94.0	211,100	13,603
Chicago	114.4	185,000	12,287
Columbus	88.8	130,900	13,871
Dallas	95.8	151,500	12,826
Denver	103.9	232,700	13,942
Los Angeles	135.3	292,300	11,611
Memphis	86.0	112,600	11,558
Minneapolis	108.1	145,000	14,124
New York	220.7	384,800	11,244
Phoenix	98.3	126,000	12,336
Saint Louis	90.2	129,000	12,424
Salt Lake City	94.5	188,500	13,672
San Francisco	166.0	515,100	13,372

### Sources:

All information in the above table was obtained from the Kansas City Area Development Council (KCADC). For comparability to other City MSA's, Kansas City information is based on fifteen (15) county areas for the "Per Capita Retail Sales" and "Median Home Price." Reference is further made by KCADC to the following sources:

- (1) The Council for Community and Economic Research, ACCRA.
- (2) National Association of Realtors.
- (3) Previous years' data was obtained from Nielson Market Demographics. The 2010 data is from Woods & Pools Economics.

## ***THE KANSAS CITY ECONOMY***

The City is a regional center for transportation, telecommunications, manufacturing, health care, trade, financial services, and government. Major companies headquartered in metropolitan Kansas City, Missouri include Sprint Nextel Corporation, HCA-Midwest Health Systems and St. Luke's Health System. Other major employers include the Public School Systems, State/County/City Government, Federal Government, The University of Kansas Hospital, Children's Mercy Hospitals and Clinics and Cerner Corporation.

The City's economy provides for a consistent and well distributed earnings and employment environment for its business sectors.

The City's proximity and ready access to geographical and population centers throughout the nation make the area an attractive location for industrial product distribution and trade. The City's central location is advantageous for commuting to all parts of the United States and has enhanced its development and posture as a major transportation center with a complete range of transportation facilities, including a major highway network, eleven railroad trunk lines, and the Kansas City International Airport (KCI). KCI handled 9.9 million passengers in fiscal year 2011. As of April 30, 2011, there were 10 passenger marketing airlines and 23 passenger operating carriers serving 49 cities with nonstop service. From May 2011 through July 2011, KCI handled 2.9 million passengers. As of July 31, 2011, there were 10 passenger marketing airlines and 25 passenger operating carriers serving 47 cities with nonstop service. Flight times from KCI are about three hours to either coastline.

# MAJOR KANSAS CITY METROPOLITAN STATISTICAL AREA EMPLOYERS

<i>Kansas City Metropolitan Area Principal Employers</i>		
<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees **</b>
Federal Government	Government	28,400
State/County/City Government <sup>(2)</sup>	Government	27,272
Public School System <sup>(1)</sup>	Education	24,839
HCA Midwest Health Systems	Health Care Provider	8,126
Sprint Nextel Corp.	Wireless Telecommunication	7,000
Saint Luke's Health System	Health Care Provider	6,665
Cerner Corp	Health Care Information Technology	5,700
Children's Mercy Hospitals & Clinic	Health Care Provider	5,108
The University of Kansas Hospital	Health Care & Research Hospital	4,496
DST Systems	Information Processing & Software Products	4,402
Truman Medical Centers	Health Care Provider	4,310
General Motors Fairfax Assembly Plant	Automotive Assembly	3,900
Hallmark Cards, Inc.	Greeting Cards, Expression Products	3,700
	Television Programming	
UPS	Package Delivery & Transportation Logistics	3,500
Ford Motor Company	Automotive Assembly	3,300
The University of Kansas Medical Center	Medical School	2,990
Black & Veatch	Global Engineering Consulting and	2,900
	Construction Company	

- (1) The number of local employees for the public school systems is made up of eleven (11) public school systems and school districts.
- (2) The number of local employees for the State/County/City Government is made up of eight (8) employers and includes one employer's 2010 number because they did not respond to the survey.
- (3) The information presented in this table speaks only as of the date indicated in the source. Layoffs or developments after this date are not presented, and they can render some information in the table to be inaccurate. In general, employment has declined in recent months and job losses have occurred across most major industry sectors.

Source: Top Public-Sector Employers, Kansas City Business Journal, April 8, 2011 and Top 100 Area Private Sector Employers, Kansas City Business Journal, April 15, 2011.

## EMPLOYMENT INFORMATION

The following table shows the annual average non-agricultural employment for the metropolitan area for 2006 to 2010.

### ANNUAL AVERAGE NON-AGRICULTURAL EMPLOYMENT METROPOLITAN AREA

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Manufacturing	83,300	82,400	80,900	73,700	72,800
Trade, Transport & Utilities	205,000	207,900	205,900	196,700	193,000
Information	42,000	42,500	41,600	37,800	32,200
Finance	73,100	74,200	72,900	71,000	71,400
Professional & Business Services	141,600	147,900	149,200	141,400	140,700
Educational & Health Services	114,500	118,600	123,900	127,100	129,100
Leisure & Hospitality	94,600	95,300	96,500	93,400	92,200
Government	145,800	150,500	152,800	154,100	153,800
Mining, Logging & Construction <sup>(1)</sup>	54,400	53,000	50,300	43,200	38,300
Other Services	39,900	41,100	41,700	41,100	40,500
<b>Total Non-farm</b>	<b>994,200</b>	<b>1,013,400</b>	<b>1,015,700</b>	<b>979,500</b>	<b>964,000</b>

(1) The name was changed from Natural Resources and Construction to Mining, Logging and Construction by the Federal Bureau of Labor and Statistics.

Sources: Missouri Department of Economic Development, Missouri Economic Research & Information Center in Cooperation with U.S. Department of Labor, Bureau of Labor Statistics. These figures were based upon the North American Industry Classification System (NAICS).

The following table depicts average annual unemployment rates for the last ten calendar years.

### AVERAGE ANNUAL UNEMPLOYMENT RATES

<b>Year</b>	<b>Kansas City</b>	<b>MSA</b>	<b>United States</b>
2002	6.6	5.5	5.8
2003	7.2	6.0	6.0
2004	7.7	6.1	5.5
2005	7.1	5.7	5.1
2006	6.4	5.0	4.6
2007	6.5	5.0	4.6
2008	7.6	5.8	5.8
2009	9.8	8.8	9.3
2010	10.6	9.1	9.6
2011	9.9 <sup>(1)</sup>	8.8 <sup>(1)</sup>	9.2 <sup>(2)</sup>

(1) January – July 2011 Average.

(2) January – August 2011 Average.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The following table shows the valuation of building construction for the last ten fiscal years:

**Property Valuation**  
**BUILDING CONSTRUCTION VALUATION**  
*(Amounts Expressed in Thousands)*

<b>Fiscal Year</b>	<b>Commercial Valuation</b>	<b>Residential Valuation</b>	<b>Total</b>
2002	685,120	306,693	991,813
2003	426,447	397,062	823,509
2004	372,238	394,758	766,996
2005	600,068	471,313	1,071,381
2006	1,095,063	417,816	1,512,879
2007	749,898	345,252	1,095,150
2008	900,097	354,808	1,254,905
2009	710,284	240,803	951,087
2010	398,961	158,783	557,744
2011	467,065	125,639	592,704

(1) Fiscal year 2008 numbers were revised by the Department of City Planning and Development in Fiscal Year 2009.

Sources: Business Services Division, City Planning and Development Department, City of Kansas City, Missouri.

The following table shows the locally assessed value of both real and personal taxable property for the last ten fiscal years:

**ASSESSED VALUE OF TAXABLE PROPERTY**  
*(Amounts Expressed in Thousands)*

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Taxable Assessed Value</b>
2002	3,899,050	1,596,366	5,495,416
2003	3,850,565	1,526,968	5,377,533
2004	4,242,606	1,425,531	5,668,137
2005	4,488,998	1,428,914	5,917,912
2006	5,021,849	1,432,570	6,454,419
2007	5,185,697	1,438,517	6,624,214
2008	5,512,212	1,771,702	7,283,914
2009	5,808,887	1,578,677	7,387,564
2010	5,589,605	1,507,749	7,097,354
2011	5,641,841	1,464,297	7,106,138

Sources: Original data obtained from aggregate assessed valuation reports provided by each county clerk and on file with the State of Missouri and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2011.

## ***BUDGETING, ACCOUNTING AND AUDITING PROCEDURES***

### **Budget Process**

The City Charter requires that the City Council adopt an annual budget for the City's May 1 through April 30 fiscal year. In fulfilling this requirement, the City's year-round budget and planning process consists of four phases:

*Budget Development.* The Finance Department issues budget instructions to city departments, boards, and commissions to be used in estimating revenues and requesting the appropriations necessary to fulfill their needs in the next fiscal year. Departments prepare their budget requests based on estimates of work to be performed and their cost. The amounts requested must be justified in terms of the results to be achieved. The City Charter requires that departments submit their requests to the City Manager on or before the 15<sup>th</sup> day of November. During this phase, the City Council also convenes budget priority sessions to provide staff with information on City Council funding priorities.

*Budget Review.* The Finance Department performs technical and policy reviews of departmental budget requests and forwards recommendations to the City Manager. The Director of Finance and the City Manager confer with departmental staff to formulate a balanced budget. This draft budget is provided to the Mayor no later than January 15<sup>th</sup> for review and comment.

*Budget Consideration and Adoption.* The Mayor transmits to the City Council not later than the second regular meeting in February the annual budget prepared by the City Manager with any comments of the Mayor. The City Council conducts a review of the budget, including hearings with the City Manager and department officers. Upon completion of its review of the budget the City Council holds at least one public hearing and, in any case not later than the first regular meeting in March, places on file in the office of the City Clerk the annual budget ordinance and holds hearings with the public. At the fourth regular meeting in March, the City Council shall adopt the annual budget ordinance with or without alteration or amendment.

*Administration of the Budget.* After the budget has been adopted by the City Council, the approved appropriations and revenues are entered into the City's financial accounting system. The City Controller reports to the City Council, upon the close of books for each month of the fiscal year, the status of the budget. The Finance Department performs a quarterly analysis of revenues and appropriations, makes new estimates of such, and recommends necessary budget adjustments to ensure the City's budget remains in balance. Strict budgetary compliance is maintained through the checks and balances of administrative regulations, Finance Department Manuals of Instruction, and an automated accounting system. Department budgets can be increased or decreased only by passage of an ordinance by the City Council.

### **Accounting Procedures and Annual Audit**

Under the requirements of Governmental Accounting Standards Board Statement No. 34 (GASB 34) – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, a dual reporting perspective is required for financial statement presentation. This dual perspective includes both a fund basis perspective and an entity wide perspective. Fiscal year 2002-03 was the first year of implementation of GASB 34 for the City.

Under the fund basis perspective, the City reports on a modified accrual basis of accounting for the various Governmental fund types and the accrual basis of accounting is utilized by the Proprietary and Fiduciary fund types. Under the entity wide perspective, the accrual basis of accounting is utilized.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and that financial statements present fairly the results of operations of the various funds of the City. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The Charter requires an annual audit of the City's financial statements by an independent certified public accountant. In addition to meeting the requirements set forth in the Charter, the City has obtained an audit in accordance with the provisions of the Office of Management and Budget Circular A-133.



**INFORMATION ON GOVERNMENTAL FUNDS**  
**CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS**

		Last Five Fiscal Years (In thousands)				
		2007	2008	2009	2010	2011
<b>Revenues:</b>						
Taxes	\$	555,646	576,444	561,936	527,477	534,656
Licenses, permits and franchises		113,307	154,948	139,922	141,352	149,488
Fines and forfeitures		17,187	17,091	16,701	18,307	17,027
Rents and concessions		18,556	15,852	14,824	12,751	14,949
Charges for services		41,453	46,385	76,063	67,809	84,497
Special assessments		6,710	7,094	7,666	7,513	7,000
Intergovernmental		100,628	103,517	138,631	132,043	110,460
Investment earnings		47,737	37,493	21,338	8,299	6,711
Contributions		44,430	42,164	16,664	10,277	26,206
Lease rentals		-	-	-	-	-
Other revenues		9,373	9,184	12,879	17,240	17,396
Total revenues		955,027	1,010,172	1,006,624	943,068	968,390
<b>Expenditures:</b>						
General government		98,356	117,593	122,471	110,901	97,544
Fire		97,493	94,735	97,432	97,486	124,810
Public works		214,404	57,309	65,312	62,494	73,216
Codes administration		-	-	-	-	-
Neighborhood development		39,375	33,497	58,048	72,068	66,970
Health		62,409	66,386	65,224	65,227	51,431
Culture and recreation		42,641	42,385	40,259	35,763	37,191
Convention facilities		26,721	21,263	14,338	16,429	26,642
Pollution control		-	-	-	-	-
Nondepartmental		46,813	84,653	78,078	61,401	20,816
Police		165,071	182,998	197,290	186,186	186,431
Intergovernmental		47,964	47,893	48,233	42,441	42,450
Capital Improvement Expenditures		289,661	334,251	212,248	192,834	225,682
<b>Debt service:</b>						
Interest		59,544	66,951	76,893	71,863	64,712
Principal		43,977	59,501	49,386	68,083	72,084
Bond issuance costs		4,340	3,160	3,269	1,623	421
Total expenditures		1,238,769	1,212,575	1,128,481	1,084,799	1,090,400
Excess of revenues over (under) expenditures		(283,742)	(202,403)	(121,857)	(141,731)	(122,010)
<b>Other financing sources (uses):</b>						
Issuance of debt		232,018	101,107	39,110	141,721	66,347
Issuance of refunding debt		102,600	121,225	503,900	35,845	6,470
Premium/discount on bond issue		10,715	4,514	(5,691)	1,496	3,487
Payment to refund bond escrow agent		(107,666)	(121,225)	(513,359)	(39,792)	(7,155)
Proceeds of capital leases		-	-	-	-	-
Transfers in		150,193	159,105	195,194	167,711	142,761
Transfers out		(150,869)	(160,069)	(195,194)	(167,711)	(142,761)
Intergovernmental Transfers				(33,183)	-	-
Total other financing sources (uses)		236,991	104,657	(9,223)	139,270	69,149
Restatement of beginning fund balance		-	-	-	-	-
Net change in fund balance		(46,751)	(97,746)	(131,080)	(2,461)	(52,861)
Debt service expenditures		103,521	126,452	126,279	139,946	136,796
Capital Improvement		289,661	334,251	212,248	192,834	225,682
Net operating expenditures		949,108	878,324	916,233	891,965	864,718
Debt Service as a percentage of net operating expenditures		10.9%	14.4%	13.8%	15.7%	15.8%

Source: Statistical Data Section of the Comprehensive Annual Financial Report for Fiscal Year 2011.

Sources of revenue for the City's governmental funds are widely diversified as shown in the following table:

**GOVERNMENTAL FUND REVENUES**  
*(Amount Expressed in Thousands)*

	2010	2011	Increase or (Decrease)	Percentage Increase or (Decrease)
<b>Revenues:</b>				
Taxes	527,477	534,656	7,179	1.36%
Licenses, fees, and permits	141,352	149,488	8,136	5.76%
Fines and penalties	18,307	17,027	(1,280)	(6.99%)
Rents and concessions	12,751	14,949	2,198	17.24%
Charges for services	67,809	84,497	16,688	24.61%
Special assessments	7,513	7,000	(513)	(6.83%)
Intergovernmental	132,043	110,460	(21,583)	(16.35%)
Investment earnings	8,299	6,711	(1,588)	(19.13%)
Contributions	10,277	26,206	15,929	155.00%
Lease rentals	—	—	—	—
Other revenues	17,240	17,396	156	0.90%
	943,068	968,390	25,322	2.69%

Revenues for the City's governmental funds during fiscal year 2011 totaled \$968 million, an increase of 2.69% over fiscal year 2010.

Source: Statistical Data Section of the City of Kansas City, Missouri, Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2011.

The City's governmental funds are used to account for expenditures of traditional government services as shown in following table:

**GOVERNMENTAL FUND EXPENDITURES**  
*(Amount Expressed in Thousands)*

<b>Expenditures:</b>	<b>2010</b>	<b>2011</b>	<b>Increase or (Decrease)</b>	<b>Percentage Increase or (Decrease)</b>
General government	110,901	97,544	(13,357)	(12.04%)
Fire	97,486	124,810	27,324	28.03%
Public works	62,494	73,216	10,722	17.16%
Codes administration	—	—	—	—
Neighborhood development	72,068	66,970	(5,098)	(7.07%)
Health	65,227	51,431	(13,796)	(21.15%)
Culture and recreation	35,763	37,191	1,428	3.99%
Convention facilities	16,429	26,642	10,213	62.16%
Pollution control	—	—	—	—
Nondepartmental	61,401	20,816	(40,585)	(66.10%)
Police	186,186	186,431	245	0.13%
Intergovernmental	42,441	42,450	9	0.02%
Capital Improvement Expenditure	192,834	225,682	32,848	17.03%
Debt service:	—	—	—	—
Interest	71,863	64,712	(7,151)	(9.95%)
Principal	68,083	72,084	4,001	5.88%
Bond issuance costs	1,623	421	(1,202)	(74.06%)
	<b>\$ 1,084,799</b>	<b>1,090,400</b>	<b>5,601</b>	<b>0.52%</b>

Expenditures for the City's governmental funds during fiscal year 2011 totaled nearly \$1.1 billion, an increase of .52 % over fiscal year 2010.

Source: Statistical Data Section of the City of Kansas City, Missouri, Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2011.

The fund balances of the General Fund and other selected operating funds for the last five years are shown in the following table:

<b>FUND BALANCES</b> <b>Governmental Funds</b> <i>Budget Basis <sup>(1)</sup></i> <i>(Amount Expressed in Thousands)</i>					
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
General Fund	\$22,807 <sup>(2)</sup>	\$27,533 <sup>(3)</sup>	\$34,717 <sup>(4)</sup>	\$36,554 <sup>(6)</sup>	\$39,832 <sup>(7)</sup>
General Fund Expenditures & Transfers Out (actual)	\$445,010	\$465,988	\$474,108	\$478,406	\$468,185
Fund Balance as a Percent Of Expenditures & Transfers	<b>5.13%</b>	<b>5.91%</b>	<b>7.32%</b>	<b>7.64%</b>	<b>8.5%</b>
Other Operating Funds					
Park Funds <sup>(6)</sup>	\$8,112	\$18,186	\$18,616	\$18,444	292
Motor Fuel Tax	(3,008)	(1,941)	(242)	792	0
Public Mass Transit	2,687	3,606	3,211	1,833	2,708
Convention and Tourism	20,277	14,180	9,791	2,530	5,927
Capital Improvements	114,032	136,306	124,915	91,648	72,789
Other	65,976	94,932	82,366	76,164	64,385
General Debt & Interest	14,120	8,880	4,813	1,331	996
<b>Total General &amp; Other Selected Operating Funds</b>	<b>\$245,003</b>	<b>\$301,682</b>	<b>\$278,187</b>	<b>\$229,296</b>	<b>\$186,929</b>

- (1) The City budgets on a cash basis.
- (2) The General Fund balance was adjusted to \$19.8 million on May 1, 2007, or 4.45% of General Fund Expenditures and Transfers. This was the result of \$3.1 million of re-appropriations, and the restoration of \$0.1 million of unused resources to balance the fiscal year 2007-08 General Fund budget.
- (3) The General Fund Balance was adjusted to \$26.2 million on May 1, 2008 or 5.62% of General Fund Expenditures and Transfers. This was the result of an ending Fund Balance of \$27.6 million less \$1.4 million of re-appropriations for Police Department encumbrances.
- (4) The General Fund Balance was adjusted to \$33.2 million on May 1, 2009 or 7.01% of General Fund Expenditures and Transfers out. This was the result of an ending Fund Balance of \$34.7 million less \$5.0 million of re-appropriations of unspent appropriations plus \$3.5 million of re-estimation of uncollected revenues.
- (5) Several Parks Funds, which were classified under "Other" in previous reports, were moved from the "Other" category to the "Parks Funds" category.
- (6) The General Fund balance was adjusted to \$34.2 million on May 1, 2010 or 7.15% of General Fund expenditures and transfers out. This was the result of an ending funding balance of \$36.6 million less \$6.6 million of re-appropriations of unspent appropriations plus \$4.2 million of re-estimation of uncollected revenue.
- (7) The general fund balance was adjusted to \$35.4 million on May 1, 2011 or 7.6% of General Fund expenditures and transfers out. This was the result of an ending balance of \$39.8 million less \$4.4 million of re-appropriations of unspent appropriations.

Source: Combining Individual Funds Statements and Schedules of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2011.

## ***PROPERTY TAX VALUATIONS AND REVENUES***

### **Assessment Procedure**

All taxable real and personal property within the City is assessed annually by the County Assessors. Missouri Law requires that property be assessed at the following percentages of true value:

Personal property.....	33-1/3%
Residential real property .....	19%
Agricultural and horticultural real property.....	12%
Utility, industrial, commercial railroad and all other real property.....	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986 requiring biennial reassessment of real property. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with the biennial assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Every person owning or holding real property or tangible personal property on January 1 of any calendar year shall be liable for taxes. Certain properties, such as those used for charitable, educational and religious purposes are excluded from both the real estate ad valorem tax and personal property tax.

### **History of Property Valuations**

The following table shows the total assessed valuation, by category, of all taxable, tangible property located in the City according to the assessment on January 1, 2010 (fiscal year 2011):

Real Property	\$5,641,840,688
Individual and Business Personal Property	1,350,983,065
Railroad and Utility Property-Personal	<u>113,313,874</u>
<b>TOTAL</b>	<b>\$7,106,137,627</b>

The total assessed valuation and estimated true valuation of all taxable, tangible property located in the City, according to the assessments on January 1 for the last ten years are shown in the following table:

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
(Amount Expressed in Thousands)

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
2002	3,899,050	1,596,366	5,495,416	1.32	21,866,696	25.13%
2003	3,850,565	1,526,968	5,377,533	1.34	21,608,211	24.89%
2004	4,242,606	1,425,531	5,668,137	1.32	23,292,660	24.33%
2005	4,488,998	1,428,914	5,917,912	1.32	24,214,469	24.44%
2006	5,021,849	1,432,570	6,454,419	1.51	26,915,825	23.98%
2007	5,185,697	1,438,517	6,624,214	1.51	27,709,503	23.91%
2008	5,512,212	1,771,702	7,283,914	1.46	30,428,778	23.94%
2009	5,808,887	1,578,677	7,387,564	1.47	30,951,663	23.87%
2010	5,589,605	1,507,749	7,097,354	1.47	29,696,884	23.90%
2011	5,641,841	1,464,297	7,106,138	1.53	29,809,585	23.84%

Source: Original data was obtained from aggregate assessed valuation reports certified by each county clerk and on file with the State of Missouri and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2011.

**Property Tax Levies and Collections**

*Tax Collection Procedure.* The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's general obligation debt for the ensuing budget year.

City real estate taxes, other than for railroads and utilities, for property located in Clay County are collected by the City Treasurer. City real estate taxes for property located in Cass, Platte, and Jackson Counties are collected by the County Collector of Revenues in those Counties, who disburse such revenue to the City Treasurer. Property tax revenue collected by the City is due and payable on the first day of November and delinquent after December 31 of the year in which levied. Interest at the rate of one percent per month attaches on November 1 and each month, or part thereof, thereafter to the date of payment. Other real estate taxes as noted above and personal property taxes are due and payable to the Counties and State on November 1 and become delinquent after December 31 of the year in which they are levied.

*Tax Rates.* The following table shows the City's tax levies over the past ten years:

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>City Direct Rates</b>					<b>Overlapping Rates</b>		
	<b>General</b>	<b>Health</b>	<b>Debt &amp; Interest</b>	<b>Museum</b>	<b>Total Direct Tax Rate <sup>(1)</sup></b>	<b>Jackson County</b>	<b>Clay County</b>	<b>Platte County</b>
2002	0.670	0.490	0.140	0.020	1.320	7.8130	6.8810	6.7440
2003	0.680	0.500	0.140	0.020	1.340	7.8330	7.1000	6.8120
2004	0.6692	0.4872	0.1400	0.0195	1.3159	7.7879	7.1549	6.6489
2005	0.6713	0.4887	0.1400	0.0196	1.3196	7.7499	7.2684	6.9608
2006	0.6519	0.6946	0.1400	0.0190	1.5055	7.9089	8.0109	7.1046
2007	0.6519	0.6946	0.1400	0.0190	1.5055	7.9101	8.0144	7.0947
2008	0.6320	0.6728	0.1400	0.0184	1.4632	7.8368	8.2323	6.8183
2009	0.6342	0.6751	0.1400	0.0185	1.4678	7.8748	8.2383	6.8198
2010	0.6342	0.6751	0.1400	0.0185	1.4678	7.9131	8.2496	6.8723
2011	0.6663	0.7046	0.1400	0.0185	1.5294	7.9818	8.3175	7.3449

(1) In addition to this total, there are special levies on assessed value of land exclusive of improvements of \$0.50 per \$100 for park maintenance and \$0.25 per \$100 for trafficway maintenance and a boulevard tax of \$1.00 per front foot.

Sources: Division of Accounts and Treasury Division, Finance Department, City of Kansas City, Missouri.

The tax rate for municipal operating purposes cannot exceed \$1.00 per \$100 assessed valuation; in fiscal year 2011, the City levied 66.63 cents of this limit. The City levies an annual tax for the purpose of operating hospitals and public health facilities. In 2011, the City levied 48.46 cents per \$100 assessed valuation, plus an additional 22.00 cents per \$100 assessed valuation for a temporary nine (9) year health levy approved by the voters on April 5, 2005. For museum purposes in fiscal year 2011, the City levied 1.85 cents of the statutory maximum 10 cents per \$100 assessed valuation. There is no legal limitation on the tax rate for the payment of principal and interest on municipal bonded debt. In fiscal year 2011, the City levied 14 cents per \$100 assessed valuation.

A Missouri constitutional amendment limiting taxation and government spending, limits the rate of growth of the total amount of taxes which may be imposed in any fiscal year. The limit may not be exceeded without a majority vote. Provisions are included in the amendment for rolling back levy rates to produce an amount of revenue equal to that of the previous year. The assessed valuations of new construction, new personal property, and newly annexed areas are exempt from this limitation.

*Tax Collection Record.* The following table sets forth tax collection information for the last ten fiscal years:

## PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Taxes Levied  For the Fiscal Year	Collected within the		Collections in Subsequent Years <sup>(1)</sup>	Total Collections to Date	
		Fiscal Year of the Levy			Amount	Percentage
		Amount	Percentage of Levy			
2002	67,837,113	62,197,047	91.69%	5,640,066	67,837,113	100.00
2003	65,411,940	63,723,322	97.42%	1,688,618	65,411,940	100.00
2004	72,536,445	67,045,603	92.43%	5,490,842	72,536,445	100.00
2005	75,493,396	67,963,294	90.03%	4,318,080	72,281,374	95.75
2006	92,577,050	86,679,031	93.63%	5,288,089	91,967,120	99.34
2007	94,118,747	87,318,173	92.77%	4,902,678	92,220,851	97.98
2008	99,772,803	94,242,910	94.46%	3,530,584	97,773,494	98.00
2009	104,701,745	92,373,937	88.23%	7,569,152	99,943,089	95.46
2010	99,225,093	90,967,305	91.68%	5,199,433	96,166,738	96.92
2011	104,226,597	91,626,838	87.91%	(see footnote 1)	91,626,838	87.91

(1) Previous years' numbers under "Collections in Subsequent Years" column were changed. Previous tables disclosed prior year collections in the year collected. For example, collections made for 2008 were reflected as 2009 collections in the "Collection in Subsequent Years" column. Collections made in Fiscal Year 2012 will be reflected in next year's Fiscal Year 2011 numbers.

Sources: The Treasury Division, Finance Department and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2011.

Principal taxpayers for fiscal year 2011 are shown in the following table:

CITY OF KANSAS CITY, MISSOURI								
TOP TEN COMPANIES FOR WITHHOLDING EARNINGS AND PROFITS TAX								
CURRENT YEAR AND NINE YEARS AGO BY INDUSTRY CLASSIFICATION <sup>(1)</sup>								
(In thousands)								
						Fiscal year 2011		Fiscal year 2003
Government	\$	4,844	Retail	\$	2,604			
Healthcare		3,224	Information Processing		1,980			
Manufacturing/Retail		2,971	Financial Services		1,945			
Business Services		2,960	Financial Services		1,705			
Information Technology		2,280	Manufacturing		1,703			
Engineering		2,167	Government		1,581			
Government		2,108	Education		1,562			
Government		1,917	Healthcare		1,405			
Government		1,825	Transportation		1,242			
Manufacturing		1,710	Education		1,223			
Total top ten companies by industry classification	\$	26,006		\$	16,950			
Total withholding tax	\$	157,021		\$	130,830			
Percentage of top ten companies to total withholding tax		16.56%			12.96%			
Taxpayer confidentiality prevents the disclosure of amounts by company name.								

(1) This table replaces the “City of Kansas City, Missouri Top Ten Taxpayers.”

Sources: Division of Accounts, Revenue Division and Treasury Division, Finance Department and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2011.



## ***CASH MANAGEMENT, RISK MANAGEMENT, AND PENSION PLANS***

### **Cash Management**

The goal of the City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City maintains pooled and restricted investments in accordance with state law, the City Charter, the Code of Ordinances and the City's Investment Policy.

The investment portfolio at carrying value, excluding pensions and trusts, totaled \$807,349,105 on April 29, 2011, and was distributed in the following instruments:

Collateralized Money Market Account	\$ 25,003,313
Collateralized Certificates of Deposit	2,250,000
U.S. Treasury Obligations	134,086,138
U.S. Agencies	<u>646,009,654</u>
	\$807,349,105

The weighted average yield on these investments as of April 29, 2011 was 1.68 percent. Total earnings from investments were \$15,619,449, an 11.7 percent decrease from the prior Fiscal Year 2010.

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

### **Risk Management (Property and Liability Coverage)**

The City maintains all risk property insurance for property damage claims related to City buildings and contents, including Aviation Department property. The City also provides insurance for employee fraud, public official and notary bonding, a tenant and user policy for special events, excess general liability insurance, and excess workers' compensation claims.

The City purchases commercial insurance for buildings, together with their contents. The City pays an annual premium and assumes a \$150,000 deductible. The policy is renewable annually.

The City purchases insurance for buildings and their contents with a limit of \$750,000,000 and \$175,000,000 on boilers and machinery.

The City is afforded governmental tort immunity pursuant to Section 537.600, RSMo. However, this state statute specifically waives the City's immunity for damages resulting from its negligence arising out of the operation of a motor vehicle and damages caused by the dangerous condition of its property. The City's liability for these damages cannot exceed the maximum amounts established in Section 537.610, RSMo, which are \$381,759 per person and \$2,545,062 per occurrence.

Therefore, the City has adopted a risk management program with regard to third party claims for damage and loss. This program would apply to any third party claims for damage or loss based on the negligence of the City or of its employees, officers and agents. The City has a retained risk fund to satisfy claims. Any third party loss exceeding the fund assets would be paid by appropriation passed by the City Council.

## Employee Retirement and Pension Plans

The City has two contributory defined benefit pension plans, the Employees' Retirement System and the Firefighters' Pension System (the "Plans"), covering substantially all employees. Contributions to the Plans are made by the City and covered employees. The contributions are calculated to fund normal cost and amortization of unfunded prior service costs. The City receives annual actuarial reports on the present value of accumulated plan benefits and net assets available for benefits.

Historical trend information for the pension systems is as follows (in millions of dollars):

### EMPLOYEES' S RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS

Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial accrued liability (AAL) entry age	(b)-(a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Covered payroll	[(b)-(a)]/(c) UAAL as a percentage of covered payroll
5/1/2002	\$ 634.0	\$ 630.7	\$ (3.3)	100.53%	\$ 146.8	N/A
5/1/2003	624.9	707.5	82.6	88.32%	130.0	63.54%
5/1/2004	627.1	740.2	113.1	84.72%	137.2	82.44%
5/1/2005	645.6	781.9	136.3	82.57%	141.6	96.25%
5/1/2006	745.7	800.8	55.1	93.12%	146.4	37.66%
5/1/2007	823.0	847.4	24.4	97.12%	158.8	15.35%
5/1/2008	873.7	934.3	60.7	93.51%	169.9	35.71%
5/1/2009	704.1	966.8	262.7	72.83%	160.2	163.99%
5/1/2010	749.6	994.8	245.2	75.35%	153.9	159.28%
5/1/2011	806.8	1011.0	204.2	79.80%	163.1	125.19%

### EMPLOYEES' RETIREMENT SYSTEM SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended April 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2002	\$ 9.1	\$ 8.7	96.2%
2003	14.0	9.3	66.3%
2004	20.0	12.1	60.4%
2005	23.4	14.8	63.3%
2006	25.8	17.6	68.1%
2007	17.7	18.5	104.8%
2008	15.6	20.0	128.1%
2009	19.4	20.3	105.0%
2010	29.6	19.2	64.8%
2011	27.8	18.6	67.8%
2012	26.3	Data Not Available	Data Not Available

**FIREFIGHTERS' RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial valuation date</b>	<b>(a) Actuarial value of assets</b>	<b>(b) Actuarial accrued liability (AAL) entry age</b>	<b>(b)-(a) Unfunded AAL (UAAL)</b>	<b>(a)/(b) Funded ratio</b>	<b>(c) Covered payroll</b>	<b>[(b)- (a)]/(c) UAAL as a percentage of covered payroll</b>
5/1/2002	\$ 313.6	\$ 358.7	\$ 45.1	87.44%	\$ 41.7	108.08%
5/1/2003	306.2	372.0	65.8	82.31%	42.3	155.47%
5/1/2004	318.8	384.2	65.4	82.98%	43.9	148.92%
5/1/2005	332.4	392.9	60.4	84.62%	45.7	132.25%
5/1/2006	381.4	434.0	52.6	87.87%	47.0	111.92%
5/1/2007	412.4	447.9	35.5	92.07%	49.4	71.90%
5/1/2008	447.2	478.7	31.5	93.42%	51.2	61.61%
5/1/2009	348.5	500.2	151.7	69.67%	53.6	282.96%
5/1/2010	435.4	516.6	81.2	84.29%	51.9	156.30%
5/1/2011	432.5	528.5	95.9	81.85%	52.0	184.56%

**FIREFIGHTERS' RETIREMENT SYSTEM SCHEDULE OF EMPLOYER CONTRIBUTIONS<sup>(1)</sup>**

<b>Year Ended April 30</b>	<b>Annual Required Contributions</b>	<b>Actual Contributions</b>	<b>Percentage Contributed</b>
2002	\$ 7.7	\$ 7.7	100%
2003	8.2	8.2	100%
2004	9.6	8.5	87.8%
2005	9.8	8.7	89.1%
2006	9.8	9.1	92.7%
2007	9.4	9.5	100.5%
2008	8.7	9.9	113.8%
2009	9.5	10.3	108.9%
2010	17.1	10.5	61.1%
2011	12.8	10.2	80.3%
2012	14.0	Data Not Available	Data Not Available

(1) Actual contributions are shown for plan years ended April 30, 2002 since the effective amortization period is allowable by GASB. The annual required contribution for the plan years ended April 30, 2004 and beyond is based on the actuarially computed contribution.

Sources: Retirement Division, Human Resources Department, City of Kansas City, Missouri. Report prepared by Cheiron.

Note: Data for May 1, 2012 percentage contributed year ending 2012 for employer contribution is not yet available as of October 1, 2011.

## Police & Civilian Employees' Retirement System

Two contributory defined benefit pension plans ("Plans") have been established by the Missouri General Assembly for the employees of the Kansas City, Missouri Police Department: the Police Retirement System of Kansas City, Missouri and the Civilian Employees' Retirement System of the Police Department of Kansas City, Missouri. The participating employees and the City of Kansas City, Missouri make contributions to the Plans. The Board of Trustees contract for annual actuarial valuations to determine the present value of accumulated plan benefits and net assets available for benefits. The contribution rates are calculated to fund normal costs and to amortize the unfunded actuarial accrued liability. The historical trend information for the pension systems is as follows (in millions of dollars):

### POLICE RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS

Actuarial valuation date <sup>(2)</sup>	(a) Actuarial value of assets	(b) Actuarial accrued liability (AAL) entry age	(b)-(a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Covered payroll	[(b)-(a)]/(c) UAAL as a percentage of covered payroll
4/30/2002	\$ 620.9	\$ 648.6	\$ 27.7	95.7%	\$ 56.7	49%
4/30/2003	611.2	682.7	71.4	89.5%	62.4	114%
4/30/2004	603.4	712.3	108.9	84.7%	66.2	164%
4/30/2005	604.6	741.0	136.4	81.6%	67.6	202%
4/30/2006	635.6	775.3	139.7	82.0%	71.8	194%
4/30/2007	698.1	807.9	109.8	86.4%	80.1	137%
4/30/2008	742.1	850.8	108.7	87.2%	86.7	125%
4/30/2009	641.2	893.6	252.4	71.8%	89.9	281%
4/30/2010	722.5	915.5	193.0	78.9%	90.5	213%
4/30/2011	715.8	940.6	224.8	76.1%	88.4	254%

### POLICE RETIREMENT SYSTEM SCHEDULE OF EMPLOYER CONTRIBUTIONS <sup>(1)</sup>

Year Ended April 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2002	\$ 10.8	\$ 11.3	104%
2003	11.6	12.0	104%
2004	15.1	12.8	85%
2005	15.8	13.3	84%
2006	19.0	13.7	72%
2007	21.4	14.5	68%
2008	22.7	15.7	69%
2009	24.3	16.7	69%
2010	23.6	16.6	70%
2011	34.4	16.5	48%
2012	31.8	Data Not Available	Data Not Available

# **CIVILIAN EMPLOYEES' S RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial valuation date<sup>(2)</sup></b>	<b>(a) Actuarial value of assets</b>	<b>(b) Actuarial accrued liability (AAL) entry age</b>	<b>(b)-(a) Unfunded AAL (UAAL)</b>	<b>(a)/(b) Funded ratio</b>	<b>(c) Covered payroll</b>	<b>[(b)-(a)]/(c) UAAL as a percentage of covered payroll</b>
4/30/2002	\$ 66.4	\$ 67.8	\$ 1.4	97.9%	\$ 20.8	7.0%
4/30/2003	68.2	83.0	14.8	82.1%	21.9	68.0%
4/30/2004	69.9	89.1	19.3	78.0%	22.1	87.0%
4/30/2005	72.4	97.1	24.7	75.0%	22.2	111.0%
4/30/2006	78.8	105.9	27.1	74.0%	23.9	113.0%
4/30/2007	89.1	110.4	21.3	81.0%	25.5	84.0%
4/30/2008	98.0	117.6	19.6	83.3%	27.0	73.0%
4/30/2009	86.3	125.0	38.7	69.1%	27.6	140.0%
4/30/2010	100.5	131.2	30.7	76.6%	26.1	117.0%
4/30/2011	102.5	137.0	34.5	74.8%	25.2	137.0%

## **CIVILIAN EMPLOYEES' RETIREMENT SYSTEM SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Year Ended April 30</b>	<b>Annual Required Contributions</b>	<b>Actual Contributions</b>	<b>Percentage Contributed</b>
2002	\$ 1.4	\$ 1.4	101%
2003	1.8	1.6	89%
2004	2.9	1.6	54%
2005	3.1	1.6	52%
2006	3.5	2.2	62%
2007	3.9	2.7	70%
2008	4.2	3.4	80%
2009	4.3	3.5	80%
2010	4.0	3.3	83%
2011	5.4	3.2	59%
2012	4.9	Data Not Available	Data Not Available

(1) Data for May 1, 2012 percentage contributed for year ending 2012 for employer contribution is not yet available as of October 1, 2011.

Sources: Police Retirement System of Kansas City, Missouri and Civilian Employees' Retirement System of the Police Department of Kansas City, Missouri and April 30, 2011 Auditors' Report and Financial Statements for the Police and Civilian Employees' Retirement Systems.

In June 2004, the Governmental Accounting Standards Board (“GASB”) issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. Specifically, the City is required to measure and disclose an amount for annual OPEB cost on the accrual basis for health benefits that will be provided to retired employees in future years. The disclosure requirement for the City began with the fiscal year ending April 30, 2008.

The following table displays specific information from the City's three most recent OPEB actuarial reports:

OTHER POST EMPLOYMENT BENEFITS (OPEB)						
<i>(Amount Expressed in Thousands)</i>						
<b>Actuarial valuation date</b>	<b>(a) Actuarial value of assets</b>	<b>(b) Actuarial accrued liability (AAL) entry age</b>	<b>(b)-(a) Unfunded AAL (UAAL)</b>	<b>(a)/(b) Funded ratio</b>	<b>(c) Covered payroll</b>	<b>[(b)-(a)]/(c) UAAL as a percentage of covered payroll</b>
<i>City of Kansas City - Employee/Firefighter Other Post Employment Benefits</i>						
4/30/2006	\$ -	150,376	150,376	- %	\$ 193,387	77.76 %
4/30/2008	-	208,612	208,612	-	221,036	94.38 %
4/30/2010 <sup>(1)</sup>	-	76,574	76,574	-	205,882	37.19%
<i>City of Kansas City – Police/Civilian Other Post Employment Benefits</i>						
4/30/2010	-	54,184	54,184	-	116,611	46.47%

(1) The May 1, 2010 actuarial valuation included the following changes in assumptions:

1. Medicare eligibility: In the prior valuations, it was assumed that 25% of firefighter retirees hired before 1987 would not be eligible for Medicare. It was determined that this assumption was not holding true for the current retirees (all were Medicare eligible). For the 2010 valuation, all retirees are assumed to be eligible for Medicare at attainment of age 65.
2. Participation and election assumptions: In the prior valuations, it was assumed that 90% of eligible retirees would elect coverage at retirement and that 100% of those electing would elect 2-person coverage. This was determined to be overly conservative for an access only plan (a plan where the retiree pays the full blended premium), and was not being observed in the actual retiree elections. For the 2010 valuation, 50% participation was assumed with 85% of males participating electing 2-person coverage and 55% of females participating electing 2-person coverage.

The Employee/Firefighter annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years indicated were as follows:

Schedule of Employer Contributions			
<i>(In thousands)</i>			
<b>Fiscal year ending</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB (obligation)</b>
4/30/2008	\$ 16,017	13%	\$ (13,916)
4/30/2009	21,988	15 %	(32,504)
4/30/2010	21,336	16%	(50,440)
4/30/2011	7,381	29%	(55,669)

Note: Under Governmental Accounting Standards Board Statement (GASB) No. 45, the difference between the premium rate charged to retirees and the estimated rate that would be applicable to those retirees if acquired of them as a separate group is an implicit rate subsidy, which is considered an other postemployment benefits (OPEB) under the standard. Prior to May 1, 2011, the Board required the retirees to pay 30% more than premiums charged for active employees. The Kansas City Board of Police Commission committed to eliminating the 30% surcharge effective May 1, 2011

For additional information regarding the Kansas City, Missouri OPEB, please refer to the City's 2011 Comprehensive Annual Financial Information Report.

Source: Note Disclosures and Required Supplementary Information Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report for Fiscal Year ended April 30, 2011.

## ***DEBT INFORMATION***

### **Debt Structure of the City**

*General Obligation Bonds.* The City is authorized to issue general obligation bonds payable from ad valorem taxes to finance capital improvements upon a four-sevenths (4/7) majority vote of qualified voters at the general municipal election day, primary or general elections and a two-thirds (2/3) majority vote at all other elections. At the general election on April 6, 2004, voters authorized the issuance of \$300,000,000 in General Obligation Bonds. Of that amount, voters approved: 1) \$250,000,000 for the purpose of paying for deferred maintenance and basic capital infrastructure such as streets, bridges, catch basins and other capital projects, 2) \$30,000,000 for the purpose of paying for deferred maintenance and capital infrastructure and improvements for the Kansas City Zoological Garden, and 3) \$20,000,000 for the purpose of paying for capital improvements for the World War I Museum Project at Liberty Memorial Museum Project, which includes the construction, acquisition, renovation, equipping, furnishing and other costs for the museum, exhibits, library and educational facilities. At the general election on November 2, 2010, voters authorized the issuance of \$100,000,000 in General Obligation Bonds for the City's Police Department and other public safety capital expenditures.

*Neighborhood Improvement District Bonds.* The City may also issue certain neighborhood improvement district ("NID") bonds without a vote and these bonds are payable as to both principal and interest from special assessments against real property benefitted by the acquisition and construction of improvements and, if not so paid, from current income and revenues and surplus funds of the City. The City indebtedness of NID bonds shall be treated equally as general obligation indebtedness, except that the City is not authorized to impose any new or increased ad valorem property tax to pay principal and interest on the NID bonds without voter approval.

As of April 30, 2011 (fiscal year end), the City had an outstanding total aggregate principal amount of \$342,240,000 of general obligation bonds, which includes the outstanding balance of \$385,000 Neighborhood Improvement District Bonds.

The remaining general obligation voted authority as of April 30, 2011 is \$124,285,000.

*Revenue Bonds, Notes and Loans.* Other than refunding bonds, the City's general obligation and revenue bonds require a vote of the electorate. All revenue bonds issued by the City are payable out of the revenues derived from the operation of the facility that is financed from the proceeds of such bonds. Revenue bonds do not carry the full faith and credit of the City in servicing the bonded indebtedness and such bonds are not considered in determining the legal debt margin.

As of April 30, 2011, the City had an outstanding total of \$784,051,770 aggregate principal amount of revenue bonds which includes \$240,847,471 in water revenue bonds and lease purchase agreements, \$224,870,600 in sewer revenue bonds, \$209,940,000 in airport revenue bonds and \$103,815,000 in airport passenger facility charge revenue bonds. To match funds from grants for storm water projects, the City entered into loans with the Missouri Department of Natural Resources ("MDNR"). As of April 30, 2011, the City had an outstanding balance of \$4,578,700 aggregate principal amount of MDNR storm water loans.

As of April 30, 2011, the City had remaining voted authority for \$240,416,000 in airport revenue bonds, \$156,090,000 in water revenue bonds, \$124,520,000 in sewer bonds and \$5,000,000 in museum revenue bonds. The City plans on issuing approximately \$90 million in sewer bonds in November 2011 which will leave a remaining authority of \$34,520,000.

*Lease Revenue Bonds and Equipment Leases.* The City may enter into financing arrangements for building projects through lease-leaseback purchase agreements with not-for-profit corporations or bond issuing authorities, which may issue tax-exempt bonds without voter approval to finance City projects. The City has financed several projects through the Kansas City Municipal Assistance Corporation ("KCMAC"). The City makes annual lease payments under these lease arrangements in an amount required to pay debt service on the bonds. The City's obligations under these leases are subject to annual appropriation and must be budgeted each year and do not constitute an indebtedness of the City beyond the current lease term. As of April 30, 2011, the City had capital leases pursuant to such arrangements outstanding at total aggregate principal of \$230,351,041.

From time to time, the City enters into lease purchase agreements for real property and equipment, such as the purchase of land, buildings, communications equipment, vehicles, and computer hardware. As of April 30, 2011, the City had an outstanding aggregate principal total of \$37,521,994 of such equipment leases. On April 26, 2011, the City entered into a fleet lease for \$3,865,321.73.

*Limited Obligation Notes and Bonds.* As of April 30, 2011, the City had outstanding a total of \$927,227,662 aggregate principal in limited obligation bonds and notes that do not constitute an indebtedness of the City. The City has agreed, subject to annual appropriation, to pay any debt service on two (2) separate bond series issued by the Planned Industrial Expansion Authority of Kansas City to finance improvements of Kemper Arena and 300 Wyandotte Parking Garages. These series have an outstanding total aggregate principal balance of \$17,880,000.

As of April 30, 2011, lease revenue bonds issued by the Land Clearance for Redevelopment Authority ("LCRA") were outstanding at a total of \$21,465,000 principal which is for the Series 2005E Bonds which refinanced the Series 1995A Municipal Auditorium and Muehlebach Hotel Redevelopment Projects and provided new monies for the Auditorium Plaza Garage. The LCRA bonds are secured by an annual appropriation pledge of the City.

The City currently has leasehold revenue bonds under the Industrial Development Authority of Kansas City, Missouri ("IDA"). The total bonds outstanding as of April 30, 2011, are \$342,665,000; this includes the Series 2001 Bonds issued to finance the Century Towers Redevelopment Project, which has an outstanding balance of \$14,755,000. In addition, the Series 2005A & B and 2006A & B, issued to finance the City's Downtown Redevelopment District, have outstanding balances of \$175,765,000 and \$112,665,000 respectively, as of April 30, 2011. The Civic Mall Project's balance is \$3,510,000 and the Midtown and Uptown Redevelopment have a balance of \$35,970,000. All of the IDA's bonds have an annual appropriation pledge of the City.

Subsequent to April 30, 2011, the following IDA Bonds were issued:

<u>Issue Date</u>	<u>Series</u>	<u>Par Amount</u>
June 1, 2011	IDA Tax-Exempt Refunding* Revenue Bonds (Kansas City Downtown Development District), Series 2011A	\$177,530,000

\*Series 2011A bonds refunded the IDA Series 2005B, 2006A & 2006B to convert those variable rate bonds to fixed rate bonds.

The Tax Increment Financing Commission of Kansas City, Missouri ("TIFC") has issued bonds on behalf of the City. As of April 30, 2011, Blue Parkway Town Center Retail Project has an outstanding balance of \$14,815,000.

As of April 30, 2011, the Special Obligation Bonds and Notes issued by the City have an outstanding balance of \$494,136,706. This includes the \$23,580,000 outstanding balance of the Series 2008A, which is comprised of the following projects: \$4,945,000 for the Refunding KCMAC Hodge Park Series 1998A, \$1,930,000 for the Swope Ridge Geriatric Center, \$1,130,000 for the Second Street Streetscape Project, \$13,060,000 for the Tow Lot Project and \$2,515,000 for the Columbus Park Project. The aforementioned balance also includes the East Village Project, Series 2008B with a balance of \$29,095,000 as of April 30, 2011, the Arena 2008C & D with a balance of \$199,020,000 and \$15,630,000, as of April 30, 2011, the Bartle Hall Bonds, Series 2008E and F with balances of \$81,400,000 and \$20,865,000, respectively, the 909 Walnut Bonds, Series 2009A with a balance of \$7,025,000, the President Hotel Bonds, Series 2009B with a balance of \$16,585,000, Chouteau I-35 Bonds, Series 2009C and D with a balance of \$11,165,000. The Special Obligation 2009E Performing Arts Center bonds have an outstanding balance of \$52,301,705. The outstanding balance for the Special Obligation 2010A Bonds East Village Project is \$5,435,000. The outstanding balances of the Special Obligation 2010B and 2010C bonds, which refunded various bonds and financed the debt service reserve for LCRA 2005, are \$19,880,000 and \$12,155,000, respectively. The Special Obligation Bonds are secured by an annual appropriation pledge of the City.

In relation to the East Village Project, the City paid off the original \$10 million JE Dunn note on December 20, 2010 issuing another note to Bank of America in the amount of \$9,838,000. The outstanding balance as of April 30, 2011 is \$9,838,000.



The City entered into two (2) leases with the Housing and Urban Development Department for the 18<sup>th</sup> and Vine District and Beacon Hill housing projects. The balance as of April 30, 2011 is \$10,260,000.

In accordance with GASB 53, the City has three (3) “Off-market” swaps, which are considered as implied loans and were added in the City’s Fiscal Year 2011 books. The outstanding balance as of April 30, 2011 of the implied loan is \$9,290,399.

*Missouri Transportation Finance Corporation (“MTFC”) Loans.* The City entered into a direct loan agreement with MTFC for \$10,000,000. Loan proceeds were used to construct a replacement for the Paseo Bridge. MTFC will disburse the funds to the City in five (5) annual installments. As of November 30, 2010, the City has received \$8 million of the \$10 million. As of April 30, 2011, the outstanding balance is \$6,877,557.69. The principal payments made to date are \$1,122,442.30.

*Tax and Revenue Anticipation Notes.* At the present time the City has no tax and revenue anticipation notes outstanding and has no plans to issue such notes in the immediate future.

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

## Debt Service Requirements

The following debt service tables show the principal and interest requirements for each respective fiscal year for City's outstanding debt as of October 27, 2011.

### PRINCIPAL AND INTEREST REQUIREMENTS ON OUTSTANDING OBLIGATIONS AS OF OCTOBER 27, 2011

Fiscal Year	Outstanding Long-Term General Obligation Bonds			% of Principal Retired
	Principal	Interest	Total	
2012	16,325,000	15,890,640	32,215,640	
2013	18,705,000	15,566,120	34,271,120	
2014	20,080,000	14,726,070	34,806,070	
2015	21,345,000	13,750,320	35,095,320	
2016	22,710,000	12,782,045	35,492,045	28.98%
2017	23,945,000	11,738,770	35,683,770	
2018	16,945,000	10,600,070	27,545,070	
2019	18,145,000	9,815,970	27,960,970	
2020	19,375,000	8,979,170	28,354,170	
2021	20,725,000	8,068,758	28,793,758	57.94%
2022	22,140,000	7,072,258	29,212,258	
2023	22,755,000	5,973,988	28,728,988	
2024	21,985,000	4,837,635	26,822,635	
2025	19,345,000	3,757,630	23,102,630	
2026	17,450,000	2,821,613	20,271,613	88.23%
2027	18,310,000	1,976,913	20,286,913	
2028	12,000,000	1,061,413	13,061,413	
2029	3,165,000	484,213	3,649,213	
2030	3,310,000	339,500	3,649,500	
2031	3,480,000	174,000	3,654,000	
	<u>\$ 342,240,000</u>	<u>\$ 150,417,093</u>	<u>\$ 492,657,093</u>	100.00%

- (1) Interest payments are shown on a gross basis; no deduction has been made for expected federal interest subsidy payments for Series 2010B Build America Bonds.

\* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt PFC and Airport Revenue Bonds			% of Principal Retired
	Principal	Interest	Total	
2012	19,555,000	15,007,140	34,562,140	
2013	20,245,000	14,044,864	34,289,864	
2014	25,270,000	12,949,358	38,219,358	
2015	26,455,000	11,715,435	38,170,435	
2016	27,410,000	10,395,831	37,805,831	37.91%
2017	28,710,000	8,983,455	37,693,455	
2018	30,095,000	7,506,955	37,601,955	
2019	24,545,000	6,182,153	30,727,153	
2020	16,215,000	5,219,858	21,434,858	
2021	17,025,000	4,407,041	21,432,041	75.07%
2022	12,135,000	3,700,643	15,835,643	
2023	12,740,000	3,107,538	15,847,538	
2024	13,380,000	2,482,508	15,862,508	
2025	14,045,000	1,823,625	15,868,625	
2026	14,755,000	1,130,630	15,885,630	96.44%
2027	5,455,000	401,256	5,856,256	
2028	5,720,000	135,850	5,855,850	
	<u>\$ 313,755,000</u>	<u>\$ 109,194,138</u>	<u>\$ 422,949,138</u>	100.00%

\* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt			% of
	Water Revenue Bonds and Lease Purchase Agreements			Principal
	Principal	Interest	Total	Retired
2012	17,384,536	10,590,416	27,974,952	
2013	16,435,341	9,902,181	26,337,522	
2014	16,956,293	9,348,103	26,304,396	
2015	17,732,596	8,663,596	26,396,191	
2016	15,649,461	7,970,196	23,619,657	34.94%
2017	16,307,109	7,278,402	23,585,511	
2018	15,713,960	6,564,939	22,278,899	
2019	14,916,357	5,868,791	20,785,147	
2020	14,006,818	5,180,493	19,187,310	
2021	12,540,000	4,606,632	17,146,632	65.45%
2022	11,220,000	3,986,279	15,206,279	
2023	11,655,000	3,523,982	15,178,982	
2024	10,965,000	2,948,508	13,913,508	
2025	9,320,000	2,414,749	11,734,749	
2026	5,850,000	1,983,497	7,833,497	85.80%
2027	6,120,000	1,707,832	7,827,832	
2028	6,500,000	1,419,440	7,919,440	
2029	3,900,000	1,113,188	5,013,188	
2030	4,085,000	927,938	5,012,938	
2031	4,300,000	713,475	5,013,475	96.14%
2032	4,525,000	487,725	5,012,725	
2033	4,765,000	250,163	5,015,163	
	\$ 240,847,471	\$ 97,450,522	\$ 338,297,993	100.00%

\* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt Sanitary Sewer Revenue Bonds			% of Principal Retired
	Principal	Interest	Total	
2012	14,489,900	10,267,041	24,756,941	
2013	14,235,000	9,639,773	23,874,773	
2014	14,710,500	8,977,143	23,687,643	
2015	15,111,200	8,284,774	23,395,974	
2016	14,152,300	7,558,093	21,710,393	32.33%
2017	12,633,800	6,883,447	19,517,247	
2018	11,665,700	6,297,566	17,963,266	
2019	12,093,000	5,780,698	17,873,698	
2020	11,805,600	5,238,585	17,044,185	
2021	11,778,600	4,699,629	16,478,229	59.00%
2022	10,667,100	4,198,305	14,865,405	
2023	10,096,000	3,722,356	13,818,356	
2024	8,745,300	3,317,087	12,062,387	
2025	7,660,000	2,926,040	10,586,040	
2026	6,135,100	2,573,245	8,708,345	78.26%
2027	6,395,800	2,294,024	8,689,824	
2028	6,676,800	2,012,892	8,689,692	
2029	6,973,400	1,718,816	8,692,216	
2030	7,055,500	1,411,036	8,466,536	
2031	6,355,000	1,099,219	7,454,219	93.14%
2032	6,670,000	787,456	7,457,456	
2033	4,270,000	460,163	4,730,163	
2034	4,495,000	235,988	4,730,988	
	<u>\$ 224,870,600</u>	<u>\$ 100,383,376</u>	<u>\$ 325,253,976</u>	100.00%

- (1) The City participated in the State of Missouri Direct Loan Program and purchased its \$16,000,000 Sewage System State Revolving Fund (“SRF”) Bonds in 2009. The outstanding principal is based on the City’s total reimbursement draws. The numbers above assume the City will draw all of the \$16 million. The interest column includes the Department of Natural Resources administrative fee on the loan. Previously issued SRF Bonds reflect gross interest costs.

\* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt Storm Water Loan			% of Principal Retired
	Principal	Interest	Total	
2012	378,000	72,889	450,889	
2013	383,100	66,825	449,925	
2014	389,200	60,678	449,878	
2015	396,300	54,426	450,726	
2016	402,500	48,068	450,568	42.57%
2017	408,600	41,609	450,209	
2018	415,800	35,045	450,845	
2019	422,000	28,373	450,373	
2020	428,200	21,601	449,801	
2021	434,600	14,722	449,322	88.63%
2022	353,000	7,749	360,749	
2023	27,000	2,155	29,155	
2024	28,000	1,770	29,770	
2025	28,000	1,378	29,378	
2026	29,000	979	29,979	98.79%
2027	29,000	573	29,573	
2028	26,400	185	26,585	
	<u>\$ 4,578,700</u>	<u>\$ 459,021</u>	<u>\$ 5,037,721</u>	100.00%

\* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt MTFC Loan			% of Principal Retired
	Principal	Interest	Total	
2012	866,829	288,857	1,155,686	
2013	1,203,247	336,451	1,539,698	
2014	1,253,783	285,914	1,539,698	
2015	1,306,442	233,255	1,539,698	
2016	1,361,313	178,385	1,539,698	67.49%
2017	1,418,488	121,210	1,539,698	
2018	1,467,455	61,633	1,529,089	
	<u>\$ 8,877,558</u>	<u>\$ 1,505,705</u>	<u>\$ 10,383,263</u>	100.00%

(1) The Missouri Transportation Finance Commission will disburse the funds to the City in five installment payments of \$2,000,000 each. As of November 2010, the City has received four (4) of the five (5) installment payments. The above table assumes all of the \$10 million will be received by the City.

\* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt KCMAC Leasehold Revenue Bonds			% of Principal Retired
	Principal	Interest	Total	
2012	15,805,000	7,865,861	23,670,861	
2013	13,285,000	7,105,201	20,390,201	
2014	14,190,000	6,491,989	20,681,989	
2015	15,125,000	5,833,014	20,958,014	
2016	17,965,000	5,126,576	23,091,576	33.15%
2017	15,365,000	4,277,151	19,642,151	
2018	15,665,000	3,534,533	19,199,533	
2019	23,120,000	2,776,783	25,896,783	
2020	19,555,000	1,644,738	21,199,738	
2021	11,038,183	9,079,761	20,117,944	69.94%
2022	11,043,451	9,718,137	20,761,588	
2023	10,749,498	10,390,259	21,139,756	
2024	7,209,817	9,643,627	16,853,444	
2025	1,080,000	95,119	1,175,119	
2026	7,708,309	13,305,910	21,014,219	86.35%
2027	6,421,104	14,218,896	20,640,000	
2028	6,326,780	15,143,220	21,470,000	
2029	6,233,252	16,101,748	22,335,000	
2030	6,105,467	17,114,533	23,220,000	
2031	6,010,211	18,139,790	24,150,000	99.85%
2032	349,971	1,140,029	1,490,000	
	<u>\$ 230,351,041</u>	<u>\$ 178,746,873</u>	<u>\$ 409,097,914</u>	100.00%

\* Note: Debt service in the above table represents amount due for the whole Fiscal Year.



Fiscal Year	Outstanding Long-Term Debt Lease Purchase Agreements			% of Principal Retired
	Principal	Interest	Total	
2012	10,831,151	1,174,176	12,005,327	
2013	9,504,449	799,325	10,303,775	
2014	7,130,798	471,888	7,602,685	
2015	5,109,323	260,073	5,369,396	
2016	2,518,411	122,494	2,640,904	93.53%
2017	1,821,353	48,584	1,869,937	
2018	606,510	10,564	617,074	
	<u>\$ 37,521,994</u>	<u>\$ 2,887,103</u>	<u>\$ 40,409,098</u>	100.00%

\* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Year	Outstanding Long-Term Debt Limited Obligations Notes and Bonds			% of Principal Retired
	Principal	Interest <sup>(1)</sup>	Total	
2012	38,435,101	35,772,571	74,207,672	
2013	25,730,677	41,351,745	67,082,422	
2014	26,001,653	40,015,285	66,016,938	
2015	30,139,795	38,871,194	69,010,989	
2016	29,572,192	37,528,502	67,100,693	16.26%
2017	29,565,892	36,193,983	65,759,875	
2018	36,409,014	37,989,651	74,398,665	
2019	40,652,726	36,856,847	77,509,573	
2020	36,097,307	35,591,566	71,688,873	
2021	39,027,073	34,379,073	73,406,146	35.97%
2022	38,904,396	32,938,814	71,843,210	
2023	32,432,587	32,007,458	64,440,046	
2024	34,661,489	30,841,298	65,502,787	
2025	51,493,856	29,535,057	81,028,913	
2026	34,126,995	27,340,219	61,467,214	56.76%
2027	36,120,601	25,948,434	62,069,035	
2028	39,499,189	24,443,799	63,942,987	
2029	36,862,740	26,776,965	63,639,704	
2030	35,211,819	14,134,598	49,346,417	
2031	37,965,940	12,277,215	50,243,155	76.90%
2032	46,899,477	10,515,919	57,415,396	
2033	47,208,115	8,313,376	55,521,491	
2034	39,941,472	6,173,819	46,115,291	
2035	11,300,000	4,252,273	15,552,273	
2036	12,045,000	3,649,479	15,694,479	93.97%
2037	12,830,000	3,006,746	15,836,746	
2038	13,515,000	2,321,753	15,836,753	
2039	14,240,000	1,599,489	15,839,489	
2040	15,020,000	821,445	15,841,445	
	<u>\$ 921,910,104</u>	<u>\$ 671,448,568</u>	<u>\$ 1,593,358,673</u>	100.00%

(1) The “Interest Column” includes five (5) variable rate demand (VRDO) tax-exempt and taxable bonds. Future interest rates on these bonds were based on an all-in estimated interest rate of 4.5% to 5.15% and 4.75% to 4.98% for tax-exempt and taxable VRDO bonds, respectively. The rates include LOC, remarketing, surveillance and other fees. Rate assumptions are for illustration purposes and actual rates will vary.

\* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

## Authority

The following table summarizes the City's total bond authority as of October 27, 2011:

### **AUTHORIZED UNISSUED DEBT** (Amounts Expressed in Thousands)

Type/Purpose	Date	Amount	Amount Issued	Total Unissued
<u>General Obligation Bonds:</u>				
Deferred Maintenance and Capital Infrastructure	April 6, 2004	\$250,000	\$227,840	\$22,160
KC Zoological Garden	April 6, 2004	30,000	27,875	2,125
Liberty Memorial Museum	April 6, 2004	20,000	20,000	0
Public Safety Capital Improvements	Nov. 2, 2010	100,000	0	100,000
<b>Subtotal</b>		<b>\$400,000</b>	<b>\$275,715</b>	<b>\$124,285</b>
<u>Revenue Bonds:</u>				
Kansas City Museum	Mar. 8, 1988	5,000	0	5,000
Airport	Aug. 8, 2000	395,000	154,584	240,416
Water System	Aug. 2, 2005	250,000	93,910	156,090
Sewer	Aug. 2, 2005	250,000	125,480	124,520 <sup>(1)</sup>
<b>Subtotal</b>		<b>\$900,000</b>	<b>\$373,974</b>	<b>\$526,026</b>
<b>TOTAL</b>		<b>\$1,300,000</b>	<b>\$649,689</b>	<b>\$650,311</b>

(1) \$90 million of Sewer authority is anticipated to be issued in November 2011.

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

## History of Indebtedness

The following tables set forth the general bonded debt information pertaining to the City as of the end of the last ten fiscal years.

### RATIOS OF BONDED DEBT OUTSTANDING

*(Amounts Expressed In Thousands)*

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Other Bonds and Leases <sup>(1)</sup></b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2002	164,150	476,164	640,314	2.93%	1,438
2003	153,990	481,388	635,378	2.94%	1,421
2004	161,955	498,020	659,975	2.83%	1,470
2005	242,020	1,048,257	1,290,277	5.33%	2,863
2006	228,130	1,110,637	1,338,767	4.97%	2,959
2007	289,725	1,235,918	1,525,643	5.51%	3,358
2008	311,325	1,248,317	1,559,642	5.13%	3,419
2009	294,100	1,210,235	1,504,335	4.86%	3,285
2010	309,785	1,253,247	1,563,032	5.26%	3,399
2011	342,240	1,195,101	1,537,341	5.16%	3,330

(1) Includes KCMAC leasehold revenue bonds, lease purchase agreements and other limited obligations. It also includes actual outstanding balances of bonds that were considered as "contingent liabilities" in the City of Kansas City, Missouri's CAFR from Fiscal Year 2002 to 2010. It does include the Special Facility Airport Revenue Bonds, Series 2005G. The series 2005G was classified under business type activities in the CAFR. It does not include the DNR Loan for the Water Services Department.

Due to footnote (1), the numbers on this table do not match the numbers on Table 12 of the statistical section of the 2011 Comprehensive Annual Financial Report from Fiscal Year 2002-2010.

Note: The Debt per Capita may change from time to time due to periodic review of the population estimates by the U.S. Census Bureau.

Source: Treasury Division, Finance Department.

## Direct and Overlapping Indebtedness

Other governmental entities whose boundaries overlap the City have outstanding bonds payable from ad valorem taxes. The following statements of direct and estimated overlapping ad valorem and other net direct debt were compiled from a survey of the various taxing districts.

**Table 13**

**City of Kansas City, Missouri**  
**Direct and Overlapping Governmental Activities Debt**  
**April 30, 2011**

	General Obligation and Other Net Direct Debt <sup>(3)</sup>	Percentage Applicable to this Municipality <sup>(1)</sup>	Municipality's Share of Debt
Direct debt			
City of Kansas City	\$ 1,537,340,698 <sup>(2)</sup>	100.0%	\$ 1,537,340,700
Overlapping debt			
Clay County	13,142,053	49.0%	6,439,600
Jackson County	571,792,807	45.0%	257,306,800
Platte County	44,007,521	48.5%	21,343,600
Cass County	-	100.0%	-
Metropolitan Junior College District	94,745,000	56.0%	53,057,200
Platte County School Districts			
A. Park Hill Reorganized No. 5	63,085,554	43.0%	27,126,800
B. Platte County Reorganized No. 3	68,905,026	40.0%	27,562,000
Clay County School Districts			
C. Smithville No. 27	21,140,000	3.4%	718,800
D. North Kansas City No. 74	225,480,000	90.5%	204,059,400
E. Liberty No. 53	139,622,028	9.9%	13,822,600
Jackson County School Districts			
F. Kansas City No. 33	57,229,000	93.0%	53,223,000
G. Raytown No. 2	76,590,000	45.0%	34,465,500
H. Independence No. 30	180,810,000	0.11%	198,900
I. Lee's Summit Reorganized No. 7	223,160,000	1.0%	2,231,600
J. Center No. 58	40,215,000	100.0%	40,215,000
K. Hickman Mills Consolidated No. 1	40,783,000	87.3%	35,603,600
L. Grandview Consolidated No. 4	30,721,995	50.0%	15,361,000
Total overlapping debt	<u>\$ 1,891,428,984</u>		<u>792,735,400</u>
Total direct and overlapping debt			<u><u>\$ 2,330,076,100</u></u>

(1) The percentage is derived by dividing the total assessed valuation of the taxing jurisdiction within Kansas City by the total assessed valuation of the taxing jurisdiction.

(2) This amount includes \$342,240,000 of general obligation bonds payable and \$1,195,100,698 of leasehold revenue bonds, lease purchase agreements, and limited obligation notes and bonds.

(3) All debt figures are reported in gross debt outstanding.

**CITY OF KANSAS CITY, MISSOURI**  
**LEGAL DEBT MARGIN OBLIGATION**  
**LAST TEN FISCAL YEARS**

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed valuation for City, county, and state purposes	\$	5,495,416,000	5,377,533,000	5,668,137,000	5,917,911,512	6,454,419,000	6,624,214,000	7,283,914,645	7,387,564,000	7,097,354,000	7,106,138,000
Constitutional debt limit (1) (2)		1,099,083,200	1,075,506,600	1,133,627,400	1,183,582,302	1,290,883,800	1,324,842,800	1,456,782,929	1,477,512,800	1,419,470,800	1,421,227,600
General obligation bonds payable (3)		164,495,000	154,335,000	161,955,000	242,020,000	228,130,000	289,725,000	311,325,000	294,100,000	309,785,000	342,240,000
Less debt service fund balances available for retirement of bonds		14,645,000	13,057,000	10,197,000	11,534,339	10,939,752	15,899,741	13,886,969	4,853,175	2,305,177	2,850,169 <sup>(4)</sup>
Total amount of bonds payable applicable to debt limit		149,850,000	141,278,000	151,758,000	230,485,661	217,190,248	273,825,259	297,438,031	289,246,825	307,479,823	339,389,831
Margin above bonds payable		949,233,200	934,228,600	981,869,400	953,096,641	1,073,693,552	1,051,017,541	1,159,344,898	1,188,265,975	1,111,990,977	1,081,837,769
General obligation bonds authorized – unissued		700,000	35,700,000	315,700,000	220,000,000	220,000,000	144,915,000	104,915,000	104,915,000	71,800,000	12,285,000
Legal debt margin	\$	948,533,200	898,528,600	666,169,400	733,096,641	853,693,552	906,102,541	1,054,429,898	1,083,350,975	1,040,190,977	957,552,769

- (1) Section 26(b) and (c) of the state constitution permits the City, by a vote of the qualified electors, to incur an indebtedness for City purposes not to exceed 10% of assessed valuation.
- (2) Section 26(d) and (e) of the state constitution provides that any City may become indebted not exceeding in the aggregate an additional 10% for the purposes of acquiring the right-of-way constructing, extending, and improving streets and avenues and/or waterworks, electric, or light plants, provided the total general obligation indebtedness does not exceed 20% of assessed valuation.
- (3) The total additional general obligation bonds for Fiscal Year 2011 includes \$700,000 general obligation bonds for sanitary sewers, \$45,030,000 general obligation bonds for streetlight projects, \$296,125,000 for capital projects, and \$385,000 general obligation bonds for neighborhood improvement district projects.
- (4) 2011 Fund balance of general debt and interest, streetlight debt, sewer special assessments debt and NID debt excluding encumbrances.

Source: Statistical Section of the Kansas City, Missouri Comprehensive Annual Financial Report for Fiscal Year 2011.